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TRADE AND DEVELOPMENT BOARD

DRAFT TERMS OF REFERENCE OF THE AD HOC WORKING GROUP TO EXPLORE THE ISSUE OF STRUCTURAL ADJUSTMENT FOR THE TRANSITION TO DISARMAMENT

Pursuant to General Assembly resolution 1995 (XIX), as amended, to A New Partnership for Development: the Cartagena Commitment adopted at the eighth session of the United Nations Conference on Trade and Development, to Trade and Development Board decision 399 (XXXIX), and to the agreement reached at the second part of the thirty-ninth session of the Board (cf. report of the Board, part I, section C.4, para. 2 (b)), the following terms of reference are established by the Trade and Development Board for the Ad Hoc Working Group to explore the issue of structural adjustment for the transition to disarmament:

1. To examine issues, developments and policies in the field of structural adjustment for the transition to disarmament, [and their implications for economic growth and development, as well as trade-and-development related aspects of conversion of military capacities] [the implications for the world economy of the reduction of military expenditures, and economic aspects of conversion of military capacities to civilian uses] [particularly with regard to militarily significant countries] [particularly with regard to countries which are major arms producers and suppliers]. In this context, the Ad Hoc Working Group shall:

(a) analyse, while taking into account the diversity of country situations, [and their legitimate regional security requirements] the short- and long-term objectives, as well as costs and benefits of structural adjustment for the transition to disarmament, [particularly in militarily significant countries] including the conversion of military capacities and technologies to civilian uses [for development] in order to promote greater efficiency in economic activities through a more effective allocation of resources;

(b) serve as a forum for the presentation and discussion of experience of countries with structural adjustment for the transition to disarmament [particularly with regard to major arms producers and suppliers], including such aspects as the macro-economic, social and environmental consequences of the reduction in military expenditures, as well as for the exchange and dissemination of relevant information. In that connection, the Ad Hoc Working Group should seek from interested countries the presentation of information on their national experiences and draw on the experience and expertise of non-governmental actors, particularly military and civilian enterprises, trade unions, the academic community and non-governmental organizations and international institutions;

(c) consider factors pertinent to the design and implementation of national programmes for structural adjustment for the transition to disarmament and conversion, including the respective roles of the private sector and the State, in particular in determining the framework for conversion and the scale and pace of the process, as well as the relationship between conversion and other economic and social adjustment programmes;

(d) identify international measures aimed at supporting developing countries and countries in transition in their national efforts to implement structural adjustment for the transition to disarmament and conversion of military capacities to civilian uses, [taking into account the legitimate regional defence requirements];

(e) study the impact of disarmament and conversion on international trade and technological and financial flows, as well as on international economic co-operation in these areas;

[(f) collect and disseminate statistics on those trade- and development-related aspects of disarmament and conversion for which such work is not being undertaken by other international organizations, and identify ways of improving such collection and dissemination, [for example, through the establishment of a database and an information network];

[(g) analyse the impact of the military industry on the international economy and on world trade].

2. To elaborate, as possible [guidelines] [advice] [suggestions] for policy-makers, the basic trade and development elements that should be taken into consideration in formulating plans and programmes for structural adjustment for the transition to disarmament and conversion.

3. The work of the Working Group should follow a progressive sequence in accordance with paragraphs 49 to 60 of the Cartagena Commitment. In line with what is set out in the Cartagena Commitment, particularly paragraphs 18 and 47, the Working Group should be inspired by the need to promote international consensus on principles and strategies for policy action at the national and international levels to enhance the development prospects of member States, particularly those of developing countries.

4. The Working Group should identify for consideration areas in which technical cooperation is possible.

5. The work of the Working Group should be coordinated with that of other Committees and Working Groups.

6. The work of the Working Group should complement that of other international bodies while seeking to ensure that no duplication occurs.

7. The Working Group shall, in principle, complete its work within two years. It may submit interim reports and shall submit a final report on the results of its work to the Trade and Development Board.

8. The frequency of sessions of the Working Group is to be decided by the Board in accordance with the existing procedures concerning the calendar of meetings. The duration of the sessions should be of five days or less.